**Invest Europe** is the association representing Europe’s private equity, venture capital and infrastructure sectors, as well as their investors.

Our members take a long-term approach to investing in privately held companies, from start-ups to established businesses. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe’s leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.

Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members’ role in the economy. Our research provides the most authoritative data on trends and developments in our industry.

Invest Europe is the guardian of the industry’s professional standards, demanding accountability, good governance and transparency from our members.

Invest Europe is a non-profit organisation with 21 employees based in Brussels, Belgium.

For more information please visit [www.investeurope.eu](http://www.investeurope.eu)
HIGHLIGHTS

Updated professional standards enhance credibility with policymakers

Extensive preparations underway for review of the AIFMD

Increased scale and recognition of Invest Week

Expanded reach of pan-European database among fund managers

"Invest Europe’s efforts deliver positive changes to European policies, and demonstrate the value of private equity to investors globally."

Michael Collins Chief Executive Officer
Read Michael’s report on page 05
SECTION 1

OVERVIEW

Chair’s overview  04
Chief Executive’s report  05
Chair’s overview

Making real progress together

Alignment of interests is a central tenet of private equity. It is also at the core of how Invest Europe operates, enabling the association to make progress on behalf of all its members.

It has been my pleasure to chair Invest Europe over the past year, working closely with Michael Collins and the entire Invest Europe team, as well as representatives of many other member firms through the Board of Directors, Platform Councils and the association’s other bodies. I thank them all for their contribution on behalf of the association.

I have seen first-hand that all segments of Invest Europe’s membership believe in private equity as an asset class, and celebrate the industry’s successes. They are also aligned in the belief that we must continue to push our industry to achieve the best possible performance while respecting the highest standards of conduct and transparency, as this can result in tangible improvements in the operating environment for private equity in Europe.

It was in this spirit that all members, including investors and private equity fund managers, collaborated to produce the 2018 Professional Standards Handbook and revised Investor Reporting Guidelines. Their efforts resulted in the most robust and up-to-date set of standards possible. We made significant amendments with regards to the latest interpretations of the Alternative Investment Fund Managers Directive (AIFMD), the use of credit facilities, risk management and measurement and of course responsible investment.

The review of the AIFMD will be one of the most important topics for the industry over the coming years. Invest Europe has been making extensive preparations for these negotiations, laying groundwork with policymakers and preparing research that will give us a strong hand when those discussions start.

We have been equally focused on current European – and indeed global – debates. During the last 12 months, the European Commission has accelerated its work to create a structure for sustainable finance in Europe. Policymakers understand that, if we are to meet global climate change goals, there is no time to waste in driving Europe towards a sustainable, low-carbon economy.

We are well placed to participate in these discussions. Invest Europe’s professional standards put environmental, social and governance (ESG) at the heart of all fundraising and investment decisions, and we promote the highest levels of transparency before investors and regulators on ESG topics. There is still a long way to go. But we will work to engage with sustainable finance policy proposals, so they can achieve the desired outcomes and reduce potential for any negative consequences for private equity.

We are also pushing forward with our own initiatives that will help the industry understand and address sustainability issues. For instance, we are devising guidance and risk assessment measures for members on climate change, and we are looking at ways to incorporate ESG measurement metrics into the European Data Cooperative database. And of course, we continue to educate private equity professionals and promote responsible investment through our training and events. It is essential that all our members embrace an ESG approach to investing and follow best practice.

There are many other measures that we fight for just as vigorously. Following successes with initiatives and regulatory reforms for venture capital and start-ups, we are engaged with plans to make sure that growing companies can access capital in Europe to scale-up and become global successes.

Our positive actions and experience give us a voice that few other industries or associations enjoy in Europe. Invest Europe has an opportunity to shape many of the debates affecting our industry and the economy in Europe, as well as globally. Investors and private equity managers are coming together with a shared vision, and we are optimistic that their commitment to professional standards and the pursuit of responsible investment practices will also result in positive benefits for the whole industry, its stakeholders and the broader society.

“Invest Europe is building an influential role for private equity in important debates that will benefit the whole industry.”

Marta Jankovic, APG Asset Management Chair
Chief Executive’s report

Earning a seat at Europe’s highest tables

It has been a good year for European private equity. Fundraising reached a new post-crisis high of €92bn in 2017, while investment activity grew to the second highest amount on record, as fund managers invested into businesses of all sizes, shaping them into market leaders.

Invest Europe plays its part in the industry’s success. Whether that’s by facilitating new relationships between fund managers and investors at our events, or by campaigning with policymakers for a favourable operating environment for private equity. These efforts are contributing to notable developments that we’ve witnessed over the past year. For example, investors from Asia made their highest contribution to European private equity to date with a 15% share – a sign that our annual Investors’ Seminar to build bridges to LPs in that part of the world is bearing fruit. Indeed, Invest Europe’s initiatives in various fields can take years to come to fruition – such as the development of the European Data Cooperative and the launch of the Commission’s pan-European venture capital funds-of-funds – but the positive impacts will persist well into the future.

The creation and maintenance of the European Data Cooperative means we can now provide even more robust and authoritative industry data to inform our discussions with those policymakers and support our arguments. Meanwhile, the second annual Invest Week helped us reach policymakers directly in Brussels and illustrate the practical benefits of private equity investment, with a focus on sustainable finance topics. We constantly strive to improve our data, events and promotional activities to achieve greater impact.

In this constantly evolving and complex regulatory and stakeholder environment, we continue to do our utmost to ensure that our members are prepared for all the challenges ahead.

Over the past 12 months, the European Commission has been intently focused on creating a framework for sustainable finance. Through Invest Europe’s ongoing work with its GP and LP members, we have been able to demonstrate the industry’s commitment to ESG. One clear example of this is Invest Europe’s Professional Standards Handbook, a substantial piece of work which we published in April, following a comprehensive review by our Professional Standards Committee. The publication demonstrates our members’ commitment to developing up-to-date professional standards reflecting today’s market and setting a high bar for best practice in operations and conduct.

This rigorous set of professional standards is not only an important document for investors, who know that an Invest Europe member will abide by our code of conduct, but it also carries real weight with external stakeholders. In our dealings with policymakers, some of whom would like ever-tougher regulation on our industry, our data and our professional standards provide credibility, opening the door for constructive discussions with stakeholders. Importantly, it demonstrates that the industry has the appetite and capacity to hold itself to account.

Today, we prepare to welcome a new Invest Europe Chair from the Venture Capital Platform. I would like to take this opportunity to thank our outgoing Chair, APG Asset Management’s Marta Jankovic, for her efforts on behalf of our LP and GP members over the past 12 months. With Europe’s ever-expanding commitment to sustainable finance, we have benefited from her experience and institutional LP perspective.

The Invest Europe team looks forward to working with the Chair Elect, Nenad Marovac from DN Capital, who brings his experience and expertise on European venture capital. The sector has had a successful year with strong fundraising and investment figures. For the first time in 2017, European venture funds raised on average almost €100m at final closing, almost double the average of ten years ago. Our public affairs efforts yielded results after eight years of campaigning, with the Commission announcing a number of Capital Markets Union measures to encourage more investor capital into VC, particularly through the formal launch of ‘VentureEU’, its new venture capital funds-of-funds initiative.

Following the Invest Europe Council elections in March, I would like to thank the outgoing members of our Platform Councils for all of their valuable contributions. And we welcome the members elected for this new three-year term. Invest Europe thrives on the input of its members. It’s our GP, LP and associate members, across all of our Councils, Roundtables, Working Groups and beyond, working in collaboration, who help pave the way for more good years ahead, in which all segments of the private equity industry can flourish.
SECTION 2

HOW WE OPERATE

Governance structure
Invest Europe is the voice of investors in privately-held companies in Europe. The industry that we represent includes private equity, venture capital and infrastructure as well as long-term investors such as pension funds and insurance companies.

Invest Europe is committed to representing the interests of each segment of our membership fully and fairly. To achieve this, members are organised into four Platforms dedicated to supporting a specific member group - Limited Partners, Venture Capital, Mid-market and Large Buyout.

The Platforms are led by a Council composed of industry practitioners, elected by the membership. The Platform Chair is elected from members of the Council and is ultimately responsible for ensuring that the Platform best represents its sector and membership. Each Platform also puts forward a representative to the Public Affairs Executive.

The Platforms are overseen by the Invest Europe Board of Directors. All segments of our membership are equally represented on the Board of Directors.

In addition, Invest Europe’s Platforms steer a number of Platform Groups, also composed of industry practitioners and reporting to the Platforms and Board of Directors.

Finally, there are several Roundtables representing certain sub-segments of one or more platforms.
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<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tbody>
<tr>
<td>Chair</td>
<td>Marta Jankovic</td>
<td>APG Asset Management</td>
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<td>Past-Chair</td>
<td>Gerry Murphy</td>
<td>Blackstone</td>
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<td>Chair-Elect*</td>
<td>Nenad Marovac</td>
<td>DN Capital</td>
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<td>Treasurer</td>
<td>Christian Strain</td>
<td>Summit Partners</td>
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<td>Vice-Chairs</td>
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<td>Rory Macmillan</td>
<td>The Carlyle Group</td>
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<td>Max Römer</td>
<td>Quadriga Capital</td>
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<td>Members</td>
<td>Michael Lee</td>
<td>Syngenta Ventures</td>
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<td>David Lindstrom</td>
<td>MetLife Investments</td>
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<td>Vanessa Maydon</td>
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<td>Fabien Prévost</td>
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<td>Mark Roijakkers</td>
<td>Blue Sky Group</td>
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* The Chair-Elect is the Chair for the following year and is chosen amongst the members of the Board of Directors.
Four platform groups

Members are organised into four Platforms dedicated to supporting a specific member group – Limited Partners, Venture Capital, Mid-market and Large Buyout.

**LIMITED PARTNERS PLATFORM COUNCIL**

**Invest Europe**

**Vice-Chair**

Anne Fossemalle EBRD

**Members**

George Anson HarbourVest Partners
Jesse de Klerk RobecoSAM Private Equity
Lori Half-Kimm CPPIB
John Holloway EIF Investment Fund
Marta Jankovic APG Asset Management
Rune Jepsen QIC
Michael Lindauer Allianz Capital Partners
David Lindstrom Metlife Investments
Christina Pamberg Alcyon Holding
Marc Roijakkers Blue Sky Group
Klaus Bjorn Rühne ATP PEP
Helen Steers Pantheon
Claus Stenbaek Keyhaven Capital Partners
Angela Willetts Capital Dynamics

**MID-MARKET PLATFORM COUNCIL**

**Invest Europe**

**Vice-Chair**

Max Römer Quadriga Capital

**Members**

Rikkert Beerekamp Avedon Capital Partners
Catherine Brossard Cerberus Capital
Christian Couturier Astorg Partners
Manuel Hertweck Capiton
Henry Jackson OpCapita
Martin Köder Baltcap
Jose Maria Muñoz MCH Private Equity Investments
Juha Peltola Vaaka Partners
Fabien Prévost Omnes Capital
Christian Strain Summit Partners
Nino Tronchetti Provera Ambienta
William Watson Value4Capital
Ralph Wyss Gilde Buy Out Partners

**VENTURE CAPITAL PLATFORM COUNCIL**

**Invest Europe**

**Vice-Chair**

Nenad Marovac DN Capital (UK)

**Members**

Max Bautin, IO Capital Partners
Christian Ehrenborg IKEA GreenTech
Anne Glover Amadeus Capital Partners
Hakan Goker Merck Ventures
Christoph Jung Holzbrinck Ventures
Michael Lee Syngenta Ventures
Jari Mieskonen Conor Venture Partners
Cem Sertoglu Earlybird
Ekatarina Smirnyagina Capricorn Venture Partners
Rainer Strohmeier Wellington Partners
Jan Westerhues Robert Bosch Venture Capital

**EUROPEAN PRIVATE EQUITY/LARGE BUYOUT PLATFORM COUNCIL**

**Vice-Chair**

Rory Macmillan The Carlyle Group

**Members**

Tom Allen Advent International
Geoffrey Bailhache Blackstone
Ludo Bammens Kohberg Kravis Roberts
Christopher Crozier Permira Advisers
Thérèse Lennehaq EOT Partners
Vanessa Maydon Cisven
Gerry Murphy Blackstone
Klas Tikkanen Nordic Capital

Notes

1. Composition as at 31 March 2018
Each platform is supported by sub-groups which deal with specific industry sectors.

**MID-MARKET PLATFORM GROUP**

Central and Eastern European Taskforce
This taskforce undertakes initiatives specifically aimed at the development and promotion of private equity and venture capital in the Central and Eastern Europe (CEE) region. Among its accomplishments is its annual Central and Eastern Europe private equity statistics report.

Chair Robert Manz Enterprise Investors

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**GOVERNANCE STRUCTURE**

**PLATFORM GROUPS**
- Platform working groups are ad-hoc groups set up to manage special projects for the platforms.
- Platform councils may set up working groups at any time.
- Working groups are coordinated by the association.

**ROUNDTABLES**
- Represent members of certain sub-segments of one or more platform.

**PLATFORM WORKING GROUPS**

Each platform is supported by sub-groups which deal with specific industry sectors.

**ROUNDTABLES**

Represent members of certain sub-segments of one or more platforms. Invest Europe’s Roundtables are cross-Platform initiatives which are open to members from all segments.

**Single Family Office (SFO) Roundtable**
The SFO Roundtable represents the interests of the SFO community within Invest Europe. It works to attract new SFO members and provides networking opportunities.

Chair Christina Pamberg Alcyon Holding

**Corporate Venture Capital (CVC) Roundtable**
The CVC Roundtable gives a voice to the increasingly influential corporate venture capital community. Its membership includes leading companies who are active in Europe and it has strong ties with similar networks in other countries, such as the US National Venture Capital Association’s Corporate Venture Group.

Chair Jan Westerhues Robert Bosch Venture Capital

**Growth Capital Roundtable**
The Growth Capital Roundtable provides a platform for Invest Europe members that are growth capital investors. The Roundtable facilitates the discussion and sharing of best practices among its members and seeks to promote growth capital as an asset class to institutional investors.

Chair Christian Strain Summit Partners

**Responsible Investment Roundtable**
The Responsible Investment Roundtable aims to promote responsible investment practices and the consideration of ESG issues within the Invest Europe membership and broader private equity and venture capital community.

Chair Maaike van der Schoot AlpInvest Partners

**Infrastructure Roundtable**
The Infrastructure Roundtable provides a forum for our infrastructure members to address the policy issues affecting their operations and to collect data on their investment activities to inform future communications.

Chair Alain Rauscher Antin Infrastructure Partners

**Turnaround Roundtable**
The Turnaround Roundtable aims to raise awareness of the role of these specialised investors and promote the asset class to institutional investors.

Co-Chair Henry Jackson OpCapita
Co-Chair Catherine Brossard Cerberus

1. Composition as at 31 March 2018
Governance structure continued

GOVERNANCE STRUCTURE

CROSS-PLATFORM GROUPS

<table>
<thead>
<tr>
<th>Professional Standards Committee</th>
<th>Public Affairs Executive</th>
<th>Tax, Legal and Regulatory Committee</th>
<th>Representative Group</th>
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<tbody>
<tr>
<td>Shapes industry guidelines and working practices</td>
<td>Public Affairs strategic decision making body</td>
<td>Supports public affairs and the PAE</td>
<td>Body of representatives of all European national trade associations</td>
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</table>

PROFESSIONAL STANDARDS COMMITTEE (PSC)

The PSC ensures that Invest Europe is at the forefront of creating and maintaining strong professional conduct guidelines and working practices for the industry in Europe. The Committee makes direct recommendations to the Invest Europe Board about the strategy, policy and practicalities relating to professional standards and responsible investment.

Chair  Simon Powell Advent International

Members

- Héléne Falchier CNP Assurances
- Daniel Gregor Allianz Capital Partners
- Neil Harding 3i Group plc
- Erwann Le Ligné Eurazeo PME
- Jonathan M. Martin KPMG
- John Renkema APG Asset Management
- Max Römer Quadriga Capital
- Maaike van der Schoot AlpInvest Partners
- Sabine Vermassen Capricorn Venture Partners
- William Watson Value4Capital
- Simon Witney Debevoise & Plimpton

PUBLIC AFFAIRS EXECUTIVE (PAE)

The PAE is the leading decision-making body for Invest Europe’s political advocacy work on those EU files that have a direct impact on all market segments of the European private equity industry.

Chair  Marta Jankovic APG Asset Management
Invest Europe Chair

Members

- Anne Glover Amadeus Capital Partners
- Representing the Invest Europe Venture Capital Platform
- Caroline Crowley OpCapita
- Representing the Invest Europe Mid-Market Platform
- Roderick Macmillan The Carlyle Group
- Representing the Invest Europe Large Buyout Platform
- Sebastian Ippisch Allianz Capital Partners
- Representing the Invest Europe Limited Partners Platform
- Michael Collins
- Representing Invest Europe
- Tim Hames
- Representing the BVCA
  (British Private Equity and Venture Capital Association)
- Ulrike Hinrichs
- Representing the BVK
  (German Private Equity and Venture Capital Association)
- Paul Perpère
- Representing France Invest
  (formerly Association des investisseurs pour la croissance)
- Phil Bartram
- Travers Smith
- Representing the Invest Europe Tax, Legal and Regulatory Committee

Guests

- Gerry Murphy Blackstone
- Invest Europe Immediate Past-Chair
- Nenad Marovac DN Capital
- Invest Europe Chair-Elect
- Patricia Volhard Debevoise & Plimpton
- Representing the Invest Europe Financial Services and Regulatory Working Group

Notes

1. Composition as at 31 March 2018
**TAX, LEGAL & REGULATORY COMMITTEE (TLRC)**

The TLRC deals with tax, legal and regulatory matters affecting the European private equity, venture capital and infrastructure industry. Cooperating closely with the national associations, the Committee provides expert advice, legal argumentation and concrete evidence to Invest Europe and its members, and guides Invest Europe’s wider public and regulatory affairs activities by supporting the PAE. It helps to craft and provides input for Invest Europe position papers and responses to relevant EU level consultations with an impact on, or of relevance to, the industry.

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<tr>
<th>Chair</th>
<th>Phil Bartram</th>
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<td>Vice-Chair</td>
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<td>Norton Rose Fullbright</td>
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<td>Ana Sofia Batista</td>
<td>Abreu Advogados</td>
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<td>Tiberghien</td>
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<td>Carl Johan Zimdahl</td>
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<td>Ewa Grzejszczak</td>
<td>Deloitte Advisory</td>
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<td>Fabio Brunelli</td>
<td>Di Tanno e Associati</td>
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<td>Isabel Rodríguez</td>
<td>King &amp; Wood Mallesons</td>
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<td>Jakob Mosegaard Larsen</td>
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<td>Jyrki Tähtinen</td>
<td>Borenius Attorneys Ltd</td>
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<td>Marco de Ligne</td>
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<td>Robin Painter</td>
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<td>Guests</td>
<td>Ashkan Karimi</td>
<td>Antin Infrastructure Partners</td>
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**REPRESENTATIVE GROUP**

The Representative Group consists of members of all of Europe’s national trade associations. It discusses industry issues at both national and European level.

<table>
<thead>
<tr>
<th>Evgeny Angelov, Bulgarian Private Equity and Venture Capital Association (BVCA)</th>
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<tr>
<td>Irina Anghele, South Eastern Europe’s Private Equity Association (SEEPEA)</td>
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<td>Paulo Caetano, Associação Portuguesa de Capital de Risco e Desenvolvimento (APCRI)</td>
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<td>Michael Collins, Invest Europe</td>
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<tr>
<td>Isabella de Feudis, Swedish Private Equity &amp; Venture Capital Association (SVCA)</td>
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<td>Pierre Demaereel, Belgian Venture Capital &amp; Private Equity Association (BVA)</td>
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<td>Rikke Eckhoff Høvding, Norwegian Venture Capital &amp; Private Equity Association (NVCA)</td>
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<tr>
<td>Anna Gervasoni, Italian Private Equity, Venture Capital and Private Debt Association (AIFI)</td>
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<td>Ulrike Hinrichs, German Private Equity and Venture Capital Association (BVK)</td>
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<td>Ivan Jakubeck, Slovak Venture Capital and Private Equity Association (SLOVCA)</td>
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<td>Paul Junck, Luxembourg Private Equity &amp; Venture Capital Association (LPEA)</td>
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<td>Henriette Kinnunen, Danish Venture Capital and Private Equity Association (DVCA)</td>
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<td>Rudolf Kinsky, Austrian Private Equity and Venture Capital Organisation (AVCO)</td>
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<td>Kristiina Koort, Estonian Private Equity and Venture Capital Association (EstVCA)</td>
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<td>George Kourtis, Hellenic Venture Capital Association</td>
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<td>Sarah-Jane Larkin, Irish Venture Capital Association (IVCA)</td>
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<td>Mirna Marovic, Croatian Private Equity and Venture Capital Association (CVCA)</td>
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<td>Anita Matison, Latvian Private Equity and Venture Capital Association (LVCA)</td>
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<td>Tjarda Molenaar, Nederlandse Vereniging van Participatiemaatschappijen (NVP)</td>
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<td>Zuzana Picková, Czech Private Equity and Venture Capital Association (CVCA)</td>
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<tr>
<td>Iboviy Pintér, Hungarian Venture Capital and Private Equity Association (HVEA)</td>
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<td>Pia Santavirta, Finnish Venture Capital and Private Equity Association (FVCA)</td>
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<tr>
<td>Sabina Sinicic, Lithuanian Private Equity and Venture Capital Association (LT VCA)</td>
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<tr>
<td>José Zudaire, Asociación Española de Capital, Crecimiento e Inversión (ASCI)</td>
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</table>
Invest Europe is the guardian of the European private equity industry’s professional standards. We enable our members to work at the cutting edge of operational best practice in such fields as fund management, transparency and ESG.

To spread adoption of the highest ethical and working standards, Invest Europe offers a wide range of training courses. These help private equity professionals at every level to hone their skills, improve their knowledge and make new contacts in the industry.

Invest Europe’s work to ensure the highest operational standards never stops. We constantly review our guidance to keep it up to date with international best practice and to reflect the ever changing operational and regulatory environment in which our members operate globally – including new legislation and amendments to existing rules.

To this end, one of Invest Europe’s most important initiatives of the past year was to update the Professional Standards Handbook and Investor Reporting Guidelines for 2018. Our efforts concentrated on bringing this valuable resource up to date in key areas that are both essential for the industry and topical for stakeholders at large.

As such, we provided clarity to members about dealing with harassment, and in particular sexual harassment, in the workplace. We shed more light on members’ responsibilities with regard to the availability and use of credit finance, such as bridge facilities at fund level, by improving transparency and disclosure about their use and impact on returns. We outlined practical risk measurement and risk management measures for both general partners and limited partners. We fine-tuned the wording on responsible investment to bring it right up to date with investor and policymakers’ priorities. And the text was amended to reflect the latest interpretation of and amendments to the Alternative Investment Fund Managers Directive (AIFMD).

At the same time, Invest Europe overhauled the Investor Reporting Guidelines to ensure the highest standards of transparency. In addition to changes to illustrate current market best practice, we responded to member demands for tailored guidance for specific industry segments – including venture capital, fund of funds, secondary funds and infrastructure. We compared our guidelines with those of the Institutional Limited Partners Association (ILPA) to ensure compatibility and provide consistency at a global level for investors and fund managers alike.

Cooperating closely

Finding ways to work more effectively on behalf of members is central to Invest Europe’s mission. This is why our industry excellence and public affairs activities are moving closer together as we seek to influence crucial regulation that can have a practical impact on how our members operate. On the one hand, our professional standards efforts are increasingly influenced by our understanding of current (and constantly changing) regulation, as well as forthcoming rules. And on the other, our commitment to industry best practice can help illuminate our discussions with policymakers, and shape the stance we take when protecting our members’ interests.

One area in which this has been notable over the past 12 months is our response and commitment to ESG. The increasing focus on sustainable finance at a political level in Brussels provides Invest Europe with the perfect opportunity to position private equity as a responsible industry, which can play a key role in helping the EU reach its goals.
At the same time, the responsible investment standards we promote in private equity have formed the basis for Invest Europe’s response to the High Level Expert Group’s report and the European Commission’s Action Plan on sustainable finance, earning us credibility in high-level discussions with policymakers.

With the G20 also considering ways to mobilise capital for responsible investment, our leadership role and global outlook is all the more important. Invest Europe continues to work closely with international bodies including PRI to prepare the industry for initiatives at a global level.

**Training**

Bringing the industry up to date with regulation and best practice through tailored training programmes is central to Invest Europe’s industry excellence commitment. Over the past year, we have enhanced the use of the Professional Standards Handbook as a tool to educate and inform course participants, drawing on our high standards across a broad range of topics, including ESG, diversity and gender equality in private equity.

Our two-day responsible investment training event continues to be unique and popular, while we added a second fund structuring course to the calendar on the back of increased demand. Invest Europe continues to look at ways to expand the programme with new training courses for different segments of the membership. We are also investigating the potential for e-learning modules on essential aspects of private equity.

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**2017/18 HIGHLIGHTS**

Comprehensive update of **Professional Standards Handbook** for 2018 to reflect current best practice and industry development in fields such as ESG and risk measurement, and to take account of changes in the regulatory and political climate

Updated **Investor Reporting Guidelines** with new guidance for specific private equity segments; ensured guidelines complement other global standards

**Strengthened use of Professional Standards Handbook** material in training courses for consistent application of best practice

Enhanced coverage of ESG issues in training courses to reflect importance of topic to investors and policymakers

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**2018/19 PRIORITIES**

**Strengthen internal cooperation and coordination** with public affairs to demonstrate private equity’s high ethical standards in Europe and how the industry can contribute to EU plans in the field of sustainable finance

**Constantly assess and update industry guidance** to reflect best practice standards globally

**Work closely with institutions** including PRI to drive forward responsible investment agenda

**Enhance training with courses and options** designed for specific segments of Invest Europe membership

**Further the link** between professional standards publications and training

**Continue to investigate** options for delivering e-learning resources to members

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**Time to LEARN**

**Course Programme 2018**

+ 250

over 250 attendees
from 35 countries at training courses
With European policymakers highly focused on sustainable finance, we are also positioning Invest Europe and private equity to be a key voice in that debate, drawing on European private equity’s leadership role in creating and maintaining high standards of ESG and responsible investment. Following the European Commission’s Action Plan on Financing Sustainable Growth in March 2018, more concrete proposals emerged in May. While generally supportive of this workflow, we continue to stress the need for flexibility and a certain level of discretion, in recognition of the diverse nature of the industry. As this agenda moves forward, we will look for initiatives that can benefit private equity, while remaining vigilant against any unintended consequences that can hamper the industry.

Over the last year, Invest Europe also continued to petition EU policymakers for solutions that will avoid any cliff edge and enable our members to operate freely following Brexit. We called for an appropriate transition period and for the European Investment Fund to continue investing in UK based venture capital funds. Although much uncertainty remains around the terms of the UK’s exit from the EU, we are helping our members with calls, webinars and publications that will inform and prepare the industry for the changes ahead.

In the past 12 months, long-running endeavours by Invest Europe have crystallised into tangible achievements, including the €2 bn-plus VentureEU funds-of-funds programme (opposite page) and amendments to the European Venture Capital Fund Regulation (EuVECA). Changes to the latter should enable more fund managers to qualify for the EuVECA voluntary marketing passport, ultimately driving a higher level of cross-border fundraising.

Following these successes, we will continue to work actively on other measures, such as the European Commission’s Start-up and Scaleup Initiative, that aim to boost our industry and help growing businesses to scale-up and develop.

As the regulatory agenda advances, other initiatives are coming to the fore. In preparation for the review of the Alternative Investment Fund Managers Directive (AIFMD), which was scheduled to start in July 2017, we commissioned research into the effects of the current legislation on private equity, its investors and the economy (opposite page).

While the review of the AIFMD has been delayed until late 2019 or early 2020, in March the Commission launched the so-called Omnibus proposal on facilitating the cross-border distribution of investment funds through targeted amendments to the AIFMD and UCITS (Undertakings for Collective Investment in Transferable Securities) Directives, as well as the EuVECA Regulation. In principle, the intention to remove barriers to cross-border fundraising is positive for private equity. However, the proposal is insufficiently tailored to the asset class and contains some unhelpful elements for the industry, including the definition of premarketing. We will continue to engage with policymakers to minimise the potential for negative consequences.

Our efforts on regulatory debates impacting private equity have recently secured positive developments for the industry. We will continue to make the case on other ongoing initiatives.”

Anna Lekston
Head of Public Affairs
2017/18 HIGHLIGHTS
Ensured positive result from EuVECA review that will allow more members to benefit from its voluntary marketing passport
Secured the launch of six new pan-European VC fund of funds vehicles with €2.1bn fundraising target
Delivered impact assessment on effects of the AIFMD to inform EU policymakers ahead of forthcoming review
Secured a commitment from the Commission to tackle barriers to cross-border distribution of funds
Maintained private equity’s access to tax treaty benefits under global OECD BEPS standards
Secured withdrawal of European Commission’s proposal on banking structural reform which would have prevented certain banks from investing in private equity
Produced seven member guides and Q&A documents, including KID – PRIIPS (marketing to retail investors), MiFID application and Brexit

2018/19 PRIORITIES
Continue preparatory work for the AIFMD review, including participation in external studies such as KPMG review of existing regulation
Engage with policymakers to positively influence the Omnibus proposal for cross-border fund marketing
Continue engagement with the Commission to secure appropriate risk weight for insurers’ investments in private equity under Solvency II
Monitor negotiations on the review of the European Supervisory Authorities and the prudential treatment of investment firms
Demonstrate private equity’s leadership position in ESG, and shape emerging framework for sustainable investment in Europe
Work towards proposals that can further enhance venture capital investment through European Commission’s Start-up and Scale-up Initiative
Shape international regulators’ work on financial stability issues, in particular the development of consistent measures of leverage
Prepare for new European Parliament and Commission with briefing notes and materials to highlight positive impact of private equity

VentureEU
In April, the European Commission launched VentureEU, a new venture capital funding programme that will create six pan-European funds of funds, seeded with €410m of European money.
This initiative was initially announced in 2015, as part of the Commission’s Capital Markets Union action plan. However, the scope and scale of the project is larger than previously thought, incorporating six managers – four of whom are Invest Europe members. The intention is to mobilise private investment into venture capital funds and generate up to €6.5bn of total investment in entrepreneurial businesses.

RESEARCH ON AIFMD IMPACTS
Invest Europe commissioned an impact assessment into the effects of the current regulation on private equity, its investors and the economy to prepare the ground for the European Commission’s comprehensive review of the AIFMD, which will be of central importance to the industry.
The research concluded that the AIFMD has delivered minor benefits at a high price. Concretely, it has made marketing more difficult, slower and more costly; increased managers’ operating costs; and restricted the investable universe of non-EU funds for EU investors – although it has not materially altered investors’ desire to invest in private equity.
While these conclusions did not come as any great surprise to the industry and support what were previously anecdotal observations, the evidence has already proven vital. It has helped inform our engagement with policymakers regarding the Commission’s proposal on cross-border distribution of funds, and has shaped our response to the study carried out by KPMG.
Invest Europe's communications team improves key stakeholders' understanding of private equity and venture capital by promoting the industry's benefits. As well as encouraging more investment into the asset class in Europe, we actively manage private equity's reputation with policymakers and key opinion formers.

The broad scope of our communications work requires a nuanced approach, as our audiences have diverse needs and expectations. Likewise, our membership is broad, covering industry segments with different priorities. For this reason, we have tailored programmes designed to achieve maximum impact.

One such initiative in 2017 was the Global Investment Decision Makers Survey for which we commissioned Ipsos MORI. Timed to coincide with our second annual Invest Week in Brussels, it focused on the drivers and disincentives for investment in Europe. As a result, it provided policymakers with high-level insights into international investors' views on the continent.

The survey revealed Europe's reputation as a global leader in sustainable investment. In recent years, we have positioned Invest Europe - and European private equity - as a leading proponent of ESG and responsible investment and a respected and balanced voice on the topic.

Our thought leadership is communicated via opinion pieces by Invest Europe representatives in the private equity press, in leading European policy outlets, on our website and via social media. Giving our voice the airtime it deserves requires significant time and effort to reach the right ears.

Over the last year we have witnessed a step change in the impact of our media relations work. We are reaching senior journalists and editor-level staff at key international media, reflecting a high degree of respect for our opinions and the pulling power of the debates we lead.

Indeed, creating a pull factor to draw these disparate audiences towards Invest Europe's communications channels is a priority. Last year, we completed a full review of the association's digital strategy. This lays the foundations to create new interactive touch points, more personalised content and improved information sharing, which will enhance the experience for our members and global stakeholders.
2017/18 HIGHLIGHTS
Invest Europe’s positive industry narrative reached a potential audience of several hundred million through national and international media.

Social media activity ranked in the top 1% of ‘European Trade and Professional Associations’ (Source: Cambre Associates).

Continued our work to increase awareness and understanding of the value of private capital to Europe’s economy through 15 publications, as well as social media, the website, blogs, presentations and case studies.

Surpassed expectations for attendances at Invest Week, reflecting event’s impact with policymakers, press and other stakeholders.

Created tailored campaigns for different stakeholder audiences to maximise impact of communications strategies.

2018/19 PRIORITIES
Deliver a greatly improved digital proposition which better meets our key audiences’ needs.

Create more targeted and personalised content as well as interactive touch points for membership.

Adapt and put in place a post-Brexit media relations strategy, which will include dedicated French and German market approaches.

Develop and deliver a communications plan aimed at educating incoming European Parliament and Commission officials about our industry and its needs.

INVEST WEEK
Invest Europe built on the success of the inaugural Invest Week with a second series of events of greater scale and ambition in November 2017. The agenda ranged from funding for start-ups, female entrepreneurship, financial regulation and sustainability, across a wide variety of formats, including dinner debates, breakfast seminars, roundtables and events in the European Parliament itself. The events supported many of our key messages and campaigns, and furthered our aim to be a respected thought leader on issues that transcend private equity and matter to a wide audience.

We received support from 35 organisations and welcomed almost 1,500 attendees to events, a 45% increase on the first year. Of those attendees, some 240 were representatives of European Union institutions, regulators and governments, including European Commission vice-president Jyrki Katainen and Olivier Guersent, the Commissions’ director-general for Financial Stability, Financial Services and Capital Markets Union.

The programme expanded beyond Brussels, with well-attended events held in Paris, Berlin and Tallinn. And we strengthened the support of key institutions and partners. Both the European Bank for Reconstruction and Development (EBRD) and the European Investment Fund (EIF) held their own events under the Invest Week banner. We also had the support of the Estonian Presidency of the Council of Ministers, an important and high-profile seal of approval for Invest Europe’s work.

Dominique Riquet MEP, Chairman of the Long-term Investment Intergroup, opens our event at the European Parliament.

Jyrki Katainen, European Commission Vice President for Jobs, Growth and Investment speaking at our Investment and Innovation Roundtable.
Data is a resource that not only allows Invest Europe to track European private equity activity year after year, it also enables us to illustrate the contribution that the industry makes to companies and investors as well as the economy at large. Ensuring that research is comprehensive and authoritative is therefore of utmost importance.

Following the 2016 launch of the European Data Cooperative (EDC) - the landmark pan-European data initiative - one of our priorities was to increase its adoption by fund managers across the continent. From over 800 managers who input their activity into the database in 2016, we saw more than 900 use the EDC in 2017. Such high adoption rates ensure that our data set is more complete than ever, while using one database to collect information (as opposed to numerous national databases) delivers greater consistency and quality.

There have been other benefits. We now have greater flexibility to produce more timely reports. For instance, we produced robust first half activity data based on a large cross-section of managers who are used to submitting data biannually. During the year, we released a brochure to inform private equity managers about the EDC and the value it creates for the industry in order to increase the number of users even further. The statistics we collected via the database formed the backbone of the 2017 Private Equity Activity report and our Central and Eastern Europe Statistics for 2016. It also provides invaluable data for public affairs, events, communications and international outreach activities. Our data was used to help make positive advances in Europe, including arguing for a venture capital fund of funds programme, and to promote private equity abroad at the Investors’ Seminar in Asia. Leveraging our resources in this way can effectively enhance fundraising in Europe and facilitate the flow of more capital into private equity.

In addition to regular reports and statistical information for Invest Europe’s work, we are regularly called on to satisfy the data needs of individual members. In the past year, we provided research support on a range of topics, such as identifying the most active regions, developments in mid-market private equity, cross-border investment analysis, first-time funds and their LPs, and venture capital investments in the life science sector.

Ensuring that the EDC operates effectively requires considerable behind-the-scenes activity. Invest Europe provided the operational resources, including IT infrastructure, as well as the expertise needed to run the database. Given the growing volume of data that we are producing and the growing demand from members and other stakeholders for specific data we have increased the size of the team with the appointment of Ariane Mortelmans, research officer.

“Data enables us to illustrate the positive contribution that private equity makes to companies, investors, and the economy.”

Cornelius Mueller
Research Director

900 fund managers used EDC to input activity data
250,000 transactions since 2007 registered on database
**2017/18 HIGHLIGHTS**

- Increased number of managers inputting data into EDC to over 900 thanks to promotional efforts, including explanatory brochure on the benefits of the database
- Publication of 2017 European Private Equity Activity report using EDC data for second time
- Released first half 2017 figures on private equity activity to members based on EDC’s enhanced data collection capabilities
- Produced exclusive data to support Invest Europe public affairs, communications and events activities
- Expanded Data & Research team to handle increased flow internal data requests and member enquires numbering some 30 data requests per month

**2018/19 PRIORITIES**

- Increase fund manager adoption of EDC through ongoing promotion and education
- Investigate and develop practical means of collecting performance, economic impact and ESG data via EDC
- Work on data collection initiatives that can support Invest Europe’s policy and promotional efforts

**MEASURING OUR IMPACT**

Having successfully launched and established the EDC as the reference for European private equity data, Invest Europe has been investigating ways to extend its impact and potential. The next frontier will be collecting data on performance, economic impact and the influence of ESG.

Already we have seen how information we collect and present can be used to cast the industry in a positive light. For instance, we combined information about the number of PRI signatories among Invest Europe’s membership with data from the EDC to produce insights about the impact of ESG for Chair Marta Jankovic’s address at the Investors’ Forum.

We recognise that for such initiatives to be of use to the industry, they must be led by members. So we are working with members via our representative bodies, including the Responsible Investment Roundtable, to define the remit of potential new data modules. We are seeking to define metrics that are practical and achievable for the industry, and that add true value for our members.

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**89%**

of industry’s €640bn of assets under management covered by 2017 Private Equity Activity report

**+1,000**

downloads per month of Annual Private Equity Activity report & data tables
“Making our events a success depends greatly on ensuring a quality mix of attendees. All our event delegates are people you will want to meet.”

Michael Collins
Chief Executive Officer

Bringing investors and fund managers together to meet, discuss hot topics, and ultimately do business, is at the heart of all Invest Europe’s conferences and networking events. They enjoy a strong reputation within the industry not only for quality content, but also for the camaraderie and the collegiate atmosphere they promote. Making all our events a success depends greatly on ensuring a quality mix of attendees.

Investor’s Forum, our flagship conference in Geneva in March, remains the only major private equity gathering where limited partners and general partners are admitted in a strict one-to-one ratio. The standard of delegate has always been high and we limit the number of service providers to ensure that the event remains truly focused on building those LP-GP relationships. As part of this effort, we have a robust due diligence process for applications and our strict criteria lead to more high-quality delegates.

It is a similar story at the Venture Capital Forum, held in October in Stockholm. Over four years, the event has seen a four-fold increase in the number of investors in attendance to 58 in 2017. This in part reflects the growing strength of Europe’s VC ecosystem, as well as the event’s preeminent status as a gathering place for the industry in Europe. The participation of high-quality investors encourages more fund managers to participate in our events, and in turn to join our association.

We also achieved considerable success by rolling out our LP-GP rotating dinner at the VC Forum. The format has been incredibly successful at Investors’ Forum and is proving popular with VC delegates as a means of making contact with investors.

We matched our focus on quality of delegate with an equal vision for quality of content. On top of our VC Forum programme, we held an Innovation Showcase in Stockholm which enabled our delegates to meet entrepreneurs and understand the start-up scene in the city. Such additional activities not only add value to our conferences and can draw in more investors, but they also show support for the local venture capital ecosystems across Europe.

Providing support through tailored content extends across all our events. At the CFO Forum in Lisbon, for example, we delivered a programme that gave operations professionals practical insights into some of the key challenges the industry is facing. Ensuring that CFOs, COOs and senior finance executives are in the audience maximises the opportunities for participants to learn from and share experiences with their peers.

In addition, we once again teamed up with INSEAD for the Single Family Office Day ahead of the Investors’ Forum, this time to discuss the theme of impact investing. This format enables us to tackle important topics in depth, in a way that recognises the specific needs of family offices.

Furthermore, our reach and influence extends far beyond Europe. At the Investors’ Seminar in Tokyo and Seoul in December, we hosted a record number of one-to-one meetings, reflecting the event’s role in bringing Asian investors together with European managers. With Asian investment in European private equity rising there is good reason to believe that our strategy – the provision of high-quality and informative content about the full range of European opportunities – is delivering.

Providing not only the environment but also the space and technology for Invest Europe members to network successfully is essential. At Investors’ Forum, we increased provision of meeting areas following feedback from attendees. Delegates have embraced our dedicated app which allows them to access attendance lists, arrange meetings and book networking pods at the conference.

Networking opportunities

We understand the importance of providing opportunities for industry participants to meet in small-scale settings as well as large. Our standalone member networking events enable fund managers and investors to meet each other in their own countries and cities in more informal settings.

Over the past year, our Chair’s Dinners continued to be a popular date in the calendar. We held four dinners in Frankfurt, London, Luxembourg and Paris. Our event in London proved particularly popular, reflecting our commitment to UK members following the Brexit vote, and those members’ desire...
to be an active part of our pan-European association. The number of attendees at the February 2018 dinner increased significantly to 110 from 75 the previous year.

We are re-launching our VC After Work networking events as a result of member demand and rising interest in the venture capital segment in Europe. Reaching members with targeted and relevant events is essential to Invest Europe, and we continue to assess ways of improving our service. In addition to our own events, we promote those from like-minded associations and organisations we support, such as Level 20 which advocates to increase the number of senior women in private equity.

2017/18 HIGHLIGHTS

Ensured higher quality institutional investor attendee at Investors’ Forum through improved due diligence processes

Record level of 1-to-1 meetings at Investors’ Seminar in Seoul and Tokyo as event became landmark for Asian investors

Increased investor participation in VC Forum to one-third of total audience

Added value to programmes with initiatives including Innovation Showcase at VC Forum in Stockholm

Delivered successful Chair Dinners, including near 50% increase in attendance at London dinner

2018/19 PRIORITIES

Continue to drive higher quality of delegates at Investors’ Forum through strict delegate criteria

Ensure more and higher quality investor participation at VC Forum

Expand member events programme with targeted networking opportunities for specific member segments

Introduce more examples of specific work by Invest Europe for operations professionals at CFO Forum
Delivering top-quality services to Invest Europe members requires best-in-class systems and structures. Although Invest Europe is in itself a relatively small organisation, with 21 employees based in Brussels, we recognise that we serve a very significant industry that controls over €640bn of assets in Europe and indirectly employs approximately eight million people. Our members expect the most efficient and reliable processes so we have invested in making their interactions with the association better.

Over the last year, we completed the automation of our accounting, payroll and HR systems, digitising all processes and consigning paper systems to the past. Everything from invoices for payment to holiday requests now go through the system, straight to the relevant people for approval.

In addition, we have automated our member-facing event registration and payment processes. In practical terms, this means that members can sign up for conferences and events online, and pay for themselves and colleagues via secure payment systems. This means less time and effort spent by Invest Europe employees tracking and following up on invoices and payments, ultimately saving resources and delivering better value to members.

Better systems are also better prepared for new regulation. In May, the European Union’s new data protection laws came into force, requiring organisations large and small to protect user data, and allow individuals to request or withdraw their personal data on demand. We made extensive arrangements to be prepared for GDPR when it launched. We take our responsibilities very seriously and ensure that member data is used properly by Invest Europe, as well as our sponsors and other partners when it comes to events. We further enhanced security by moving our servers to a new off-site data centre.

Our improvements have come through investment in technology. We will continue to invest in IT to further enhance our services. Over the coming year, we will be reviewing systems to identify areas where we can find greater efficiency, save resources and offer a better service.

**2017/18 HIGHLIGHTS**

- Fully digitised accounting and payroll to improve efficiency and save Invest Europe resources
- Completed preparations for GDPR, ensuring the association’s full compliance with new data protection rules
- Moved IT servers to new data centre to improve security
- Hired new staff for Data & Research and Member Events teams
REPRESENTATIVE BODY

Invest Europe seeks to echo the diversity of Europe in its make-up. For an organisation based in Brussels, we represent nine nationalities and speak 11 languages. This diversity adds to our credibility and helps us make connections not only with European Union bodies but also with national stakeholders across Europe.

While it can be challenging to recruit staff within the relatively small pool of Brussels, Invest Europe's employees are highly qualified and experienced. Many have different but complementary skills, qualifications and experience, allowing them to service many different functions within our organisation.

Invest Europe also takes the issue of gender diversity very seriously. In our senior management team, three of five key roles are held by women, while across the organisation the mix of male and female employees is well balanced.

KEY FIGURES

- 9 nationalities in Invest Europe
- 21 full time equivalents
- 11 languages spoken
- 60% female
- 40% male
- IT Accounting and HR fully dematerialized
- GDPR Compliance as of May 2018
Financial report

Profit and Loss
Operating expenses were €6,332,261 in 2017, 6% less than 2016’s total of €6,723,373.

Operating revenues decreased by 2% to reach €7,025,139 in 2017, compared to €7,171,650 in 2016.

The 2017 net operating profit before exceptional results was €692,877. This was mainly due to the fact that the contingency for membership fees cancellation of €514k has not been used.

Projects initiated in 2016 have been finalised in 2017 for a total cost of €111,434, below Budget 2017.

The 2017 net accounting profit was €581,443.

Balance Sheet
The balance sheet total was €5,290,202 as at December 31, 2017.

The cash position was €4,653,720 as at December 31, 2017 compared to €4,089,912 as at December 31, 2016.

Reserves increased from €3,651,754 to €4,223,198 due to net accounting profit.

Budget 2018
For 2018, Invest Europe proposes a balanced budget before exceptional projects.

A contingency of €460k has been set aside in case political and market conditions - including those emerging from the UK decision to leave the EU - lead to a drop in membership or other revenues.

As in previous years, the Board will closely monitor the financial situation throughout the year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed assets
Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of assets using the straight line method.

Cash or cash equivalent
Cash and cash equivalent are carried at nominal value.

Receivables
Receivables are carried at nominal value. Provisions are made for all receivables during the year if no explicit confirmation or certainty about payment is available.

Provisions
Provisions are recognised for probable obligations when a reliable estimate of the amount can be made.

Liabilities
Trade payables and payroll liabilities are carried at nominal value.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. With respect to the rendering of services, revenue is recognised by reference to the stage of completion.
## Financial statements

### Profit and Loss (€)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2017</th>
<th>Budget 2017</th>
<th>Actual 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>5,373,876</td>
<td>4,916,000</td>
<td>5,513,291</td>
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<td>Events</td>
<td>1,209,662</td>
<td>1,221,830</td>
<td>1,251,034</td>
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<td>Sponsoring</td>
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<td>312,000</td>
<td>257,000</td>
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<td>Service fees</td>
<td>60,000</td>
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<td>60,000</td>
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<td>Bank interest and miscellaneous</td>
<td>7,047</td>
<td>10,000</td>
<td>17,320</td>
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<td>Other revenue</td>
<td>37,554</td>
<td>35,000</td>
<td>73,004</td>
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<td><strong>Total Revenue</strong></td>
<td><strong>7,025,139</strong></td>
<td><strong>6,554,830</strong></td>
<td><strong>7,171,650</strong></td>
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<td>Personnel costs</td>
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<td>Professional services</td>
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<td>Housing costs</td>
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<td>Accommodation events</td>
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<td>Travel and representation</td>
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<td>Communications</td>
<td>56,298</td>
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<td>Printing and audio-visuals</td>
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<td>Various office costs</td>
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<td>Finance costs</td>
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<td>Provision for doubtful debtors</td>
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<td>Provisions/other costs</td>
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<td><strong>Total Expenses</strong></td>
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<td><strong>6,554,830</strong></td>
<td><strong>6,723,373</strong></td>
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<td><strong>NET OPERATING RESULTS</strong></td>
<td><strong>692,877</strong></td>
<td><strong>0</strong></td>
<td><strong>448,277</strong></td>
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<tr>
<td>Projects from previous year completed in current year</td>
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<td>135,000</td>
<td>147,298</td>
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<tr>
<td><strong>Total exceptional expenses</strong></td>
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<td><strong>135,000</strong></td>
<td><strong>147,298</strong></td>
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<td><strong>NET RESULT</strong></td>
<td><strong>581,443</strong></td>
<td><strong>-135,000</strong></td>
<td><strong>300,979</strong></td>
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</table>

**Notes**
1. Contingency of 0.5m€ for UK membership fees cancellation as a consequence of Brexit, not used for 2017
## PROFIT AND LOSS (€)

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2018</th>
<th>ACTUAL 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Membership</td>
<td>5,319,000</td>
<td>5,373,876</td>
</tr>
<tr>
<td>- Contingency</td>
<td>(460,000)</td>
<td>0</td>
</tr>
<tr>
<td>Membership</td>
<td>1</td>
<td>4,859,000</td>
</tr>
<tr>
<td>Events</td>
<td>1,207,747</td>
<td>1,209,662</td>
</tr>
<tr>
<td>Sponsoring</td>
<td>2</td>
<td>265,000</td>
</tr>
<tr>
<td>Service fees</td>
<td></td>
<td>60,000</td>
</tr>
<tr>
<td>Bank interest and miscellaneous</td>
<td>1,000</td>
<td>7,047</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>34,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>6,426,747</strong></td>
<td><strong>7,025,139</strong></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>3,037,000</td>
<td>3,125,868</td>
</tr>
<tr>
<td>Professional services</td>
<td>1,522,410</td>
<td>1,469,854</td>
</tr>
<tr>
<td>Housing costs</td>
<td>285,500</td>
<td>281,927</td>
</tr>
<tr>
<td>Accommodation events</td>
<td>346,162</td>
<td>309,662</td>
</tr>
<tr>
<td>Travel and representation</td>
<td>406,274</td>
<td>360,344</td>
</tr>
<tr>
<td>Communications</td>
<td>42,120</td>
<td>56,298</td>
</tr>
<tr>
<td>Printing and audio-visuals</td>
<td>151,600</td>
<td>148,946</td>
</tr>
<tr>
<td>Various office costs</td>
<td>356,081</td>
<td>369,746</td>
</tr>
<tr>
<td>Finance costs</td>
<td>22,500</td>
<td>27,990</td>
</tr>
<tr>
<td>Provision for doubtful debtors</td>
<td>155,000</td>
<td>100,313</td>
</tr>
<tr>
<td>Provisions/other costs</td>
<td>102,100</td>
<td>81,314</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>6,426,747</strong></td>
<td><strong>6,332,261</strong></td>
</tr>
<tr>
<td><strong>NET OPERATING RESULTS</strong></td>
<td>0</td>
<td><strong>692,877</strong></td>
</tr>
<tr>
<td>Projects from previous year completed in current year</td>
<td>90,000</td>
<td>111,434</td>
</tr>
<tr>
<td><strong>Total exceptional expenses</strong></td>
<td><strong>90,000</strong></td>
<td><strong>111,434</strong></td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td><strong>-90,000</strong></td>
<td><strong>581,443</strong></td>
</tr>
</tbody>
</table>

**Notes**
1. Budget contingency included in Membership fees given Brexit
2. Conservative sponsorship targets given new locations for some events in 2018
### ASSETS (€)

<table>
<thead>
<tr>
<th></th>
<th>31 DEC 2016</th>
<th>31 DEC 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost, less depreciation</td>
<td>37,294</td>
<td>26,392</td>
</tr>
<tr>
<td><strong>FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in EDC GmbH (33%)</td>
<td>8,329</td>
<td>8,329</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>126,539</td>
<td>53,917</td>
</tr>
<tr>
<td>Deposits and prepayments</td>
<td>8,481</td>
<td>8,277</td>
</tr>
<tr>
<td>VAT</td>
<td>46,084</td>
<td>24,206</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>1</td>
<td>522,375</td>
</tr>
<tr>
<td>Accrued income</td>
<td>10,450</td>
<td>1,700</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>2</td>
<td>4,089,912</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>4,803,841</td>
<td>5,255,481</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>4,849,464</td>
<td>5,290,202</td>
</tr>
</tbody>
</table>

### LIABILITIES (€)

<table>
<thead>
<tr>
<th></th>
<th>31 DEC 2016</th>
<th>31 DEC 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>3,350,775</td>
<td>3,651,754</td>
</tr>
<tr>
<td>Attribution of profit (+)/loss (-)</td>
<td>300,979</td>
<td>581,443</td>
</tr>
<tr>
<td>Closing balance</td>
<td>3,651,754</td>
<td>4,233,198</td>
</tr>
<tr>
<td><strong>PROVISIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>471,419</td>
<td>259,689</td>
</tr>
<tr>
<td>VAT</td>
<td>17,338</td>
<td>18,492</td>
</tr>
<tr>
<td>Payroll accruals</td>
<td>3</td>
<td>370,062</td>
</tr>
<tr>
<td>Deferred income</td>
<td>4</td>
<td>315,640</td>
</tr>
<tr>
<td>Capital contribution to leasehold improvement</td>
<td>5</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>1,190,460</td>
<td>1,049,012</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>4,849,464</td>
<td>5,290,202</td>
</tr>
</tbody>
</table>

**Notes**
1. 2018 events accommodation deposits
2. Cash balance as of 31 Dec. 2017 higher explained by current year profit (impact of not using the membership contingency)
3. Payroll accruals higher in 2017 vs. 2016 explained by various HR provisions
4. Deferred income includes services (Investors’ Forum) invoiced in 2016/2017 to be delivered in 2017/2018
5. Landlord capital contribution for the amount of 366€ related to the office move and amortised on the period of the lease (9 years) since 2012
Statutory auditor’s report to the general meeting of members of Invest Europe AISBL/IVZW for the year ended 31 December 2017

(Annual accounts)

In the context of the statutory audit of the annual accounts of Invest Europe AISBL/IVZW (the “association”), we hereby submit our statutory audit report. This report includes our report on the annual accounts together with our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the general meeting of members of 21 July 2016, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting of members deliberating on the annual accounts for the year ending 31 December 2018. We have performed the statutory audit of the annual accounts of Invest Europe AISBL/IVZW for 5 consecutive periods.

The number of periods also includes the financial year referred to in this report.

Report on the audit of the financial statements

Unqualified opinion

We have audited the annual accounts of the association, which comprises the balance sheet as at 31 December 2017 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 5,290,000 EUR and the income statement shows a positive result for the year ended of 581,000 EUR.

In our opinion, the annual accounts give a true and fair view of the association’s net equity and financial position as at 31 December 2017 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the annual accounts” section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the association’s officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors for the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the association’s ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.
As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor’s report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor’s report. However, future events or conditions may cause the association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

* *

Report on other legal, regulatory and professional requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the other matters disclosed in the annual report, for maintaining the association’s accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the association’s compliance with the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations and the association’s articles of association.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA), our responsibility is to verify, in all material respects, the other matters disclosed in the annual report and compliance with certain obligations referred to in the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations and the articles of association, as well as to report on these matters.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the association during the performance of our mandate.
Auditor’s report continued

Invest Europe AISBL/IVZW | 31 December 2017

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the association’s articles of association or the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations.

Zaventem, 19 April 2018

The statutory auditor

DELOITTE Bedrijfseisen / Réviseurs d'Entreprises
BV v.v.e. CVBA / SC s.f.d. SCRL
Represented by Pierre-Hugues Bonrefoy

Deloitte

Deloitte Bedrijfseisen / Réviseurs d'Entreprises
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